United Nations DP/2010/11

Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund

Distr.: General
7 December 2009

Original: English

First regular session 2010
19 to 22 January 2010, New York
Item 10 of the provisional agenda
Recommendations of the Board of Auditors

UNDP: Report on the implementation of the recommendations of the Board of Auditors, 2006-2007*

Report of the Administrator

Summary

The UNDP management approach to addressing audit-related risks is consistent with the principles outlined in the UNDP accountability framework and oversight policy (DP/2008/16/Rev.1), which was approved by the Executive Board at its second regular session 2008. The approach included an institution-wide alignment of efforts to address the 'top 11' management priorities, which reflect certain institution-wide risks; clear accountability and responsibility arrangements; regular management review; and monitoring of audit-related risks. While the management initiatives have resulted in continuous improvement, their full effect will be realized in the medium term. UNDP received an 'unqualified' audit opinion by the United Nations Board of Auditors for the biennium ended 31 December 2007. UNDP is continuously engaged in bringing about further improvements to audit-related issues.

The present report provides an implementation status update of the 82 audit recommendations made by Board of Auditors for the biennium ended 31 December 2007. To date UNDP has implemented 90 per cent of recommendations that were targeted for completion by third quarter 2009. Pursuant to Executive Board decision DP/2009/2, the status of the audit implementation is available in tabular form on the Executive Board website. The present report also reviews progress made since the last update (DP/2009/5) in addressing the revised top 11 audit priorities in UNDP in 2008-2009, and outlines management plans to address the remaining audit implementation challenges. The report takes into consideration the report of the Advisory Committee on Administrative and Budgetary Questions (A/64/469) in its review of the report on the implementation of audit recommendations of the United Nations system organizations audited by the Board of Auditors (A/64/98), as well as guidance provided by the UNDP Audit Advisory Committee.

09-63945 (E) 281209

Elements of a decision

The Executive Board may wish to (a) recognize the progress made by UNDP in addressing the top 11 audit priorities in 2008-2009; (b) note the progress made in addressing the audit recommendations of the Board of Auditors (A/63/5/Add.1); and (c) encourage UNDP to continue investing in the professionalization of staff and its sustaining the improvements made in recent years in to address underlying audit risks.

Introduction

1. The UNDP approach to addressing audit-related issues is consistent the principles of the UNDP accountability framework and oversight policy (DP/2008/16/Rev.1) which was approved by the Executive Board in its decision 2008/37. The reduction of the 'top 15' audit-related management priority list to the current 'top 11' list reflects improvements noted in the audit report of the United Nations Board of Auditors for biennium ended 31 December 2007. This is supplemented by clear audit accountability-responsibility matrix (see annex), the periodic management review of progress at the Operations Group chaired by the Associate Administrator, and the quarterly review with the management of the regional bureaux organized by the Office of Finance and Administration of the Bureau of Management. The internal control framework has been further revised for greater clarity and to strengthen controls in key risk areas. Alternative, more sustainable measures to assist country offices with limited or temporary capacity issues included investing in the professionalization of staff in key business areas within the larger UNDP human resources strategy.

2. While the full effect of these management initiatives was not immediate, UNDP was encouraged by the "unqualified" audit opinion awarded by the Board of Auditors for the biennium ended 31 December 2007. UNDP acknowledges that it must do more (within the resource constraints posed in the current fiscal environment) to address existing and emerging audit risks. UNDP believes that one of the end objectives of audit is the assurance of development effectiveness to the programme countries that it serves. To that end, UNDP has – among other measures – made careful investments in strategic resources to ensure the responsive, timely discharge of the management function in an accountable, risk-reduced manner. UNDP is examining the possibility of strengthening strategic human resources management so that its skills mix and staff capacity mirror institutional requirements.

3. The present report summarizes progress made in the implementation of the audit recommendations of the Board of Auditors since the last update to the Executive Board at the first regular session 2009 (DP/2009/5). Pursuant to decision 2009/2, the status of audit implementation has been made available on the Executive Board website. The present report takes into consideration guidance provided by the UNDP Audit Advisory Committee as well as the Report of the Advisory Committee on Administrative and Budgetary Questions (A/64/469) to the General Assembly in its review of the report on the implementation of audit recommendations of the United Nations system organizations audited by the Board of Auditors (A/64/98). The report also reviews progress made in addressing the top 11 audit-related priorities in UNDP

in 2008-2009, and outlines management plans to address the remaining audit implementation challenges.

I. Status of audit recommendations of the United Nations Board of Auditors for biennium ended 31 December 2007

4. For the biennium ended 31 December 2007, the Board of Auditors issued eighty-two audit recommendations (compared with 115 for the 2004-2005 biennium). Of those, 38 recommendations were accorded high priority by the Board of Auditors in its report A/63/5/Add.1. The remaining 44 recommendations were accorded medium priority. Consistent with past practice, UNDP established accountability and responsibilities for addressing audit recommendations, as well as target completion dates and implementation standards. These were shared with the Board of Auditors to facilitate their validation process.

5. In UNDP, audit implementation progress is monitored and reported based on agreed target completion dates and completion standards. As at 31st October 2009 (the cut-off date for this report), 90 per cent of the recommendations targeted for completion by the 3rd quarter of 2009 or earlier had been fully implemented, while the remaining 10 per cent should be completed before finalization of the financial statements in the second quarter of 2010, or earlier. The details are available in the document posted on the website of the Executive Board together with this report.

Recommendations due in 3rd quarter 2009 or earlier				
Priority	***Target date***	***Fully implemented***	***Partially implemented***	***Grand total***
High	2008, 4th quarter	3		3
	2009, 1st quarter	2		2
	2009, 2nd quarter	8	2	10
	2009, 3rd quarter	20		20
Total high		33	2	35
Medium	2008, 4th quarter	1		1
	2009, 2nd quarter	8	2	10
	2009, 3rd quarter	22	3	25
Total medium		31	5	36
Grand total		64	7	71
Percentage implemented		**90%**		

Recommendations due in 4th quarter 2009 or later			
Priority	***Target date***	***Partially implemented***	***Overtaken by events***
High	2009, 4th quarter	2	
	2010, 2nd quarter	1	
Total high		3	
Medium	2009, 4th quarter	5	2
	2010, 2nd quarter	1	
Total medium		6	2
Grand total		**9**	**2**

6. The audit implementation plan took into account anticipated technical challenges in stabilizing the newly upgraded Atlas system in early 2009.

7. UNDP noted that many of the good practices identified by the Board of Auditors in the area of managing audit recommendations (A/64/98, paragraph 15) are already in place. These included: (a) identifying and monitoring priority audit issues; (b) identifying the causes of recurring audit observations and developing appropriate management initiatives; (c) reviewing progress made by independent bodies such as the Audit Advisory Committee; and (d) establishing time frames and completion standards for the implementation of recommendations.

II. Progress made in addressing the top 11 audit priorities

8. The top 11 audit-related management priorities (see annex) were revised from the original top 15 list, established in 2007, to reflect improvements noted by the Board of Auditors as well as residual or emerging risks raised by both the Board of Auditors and the UNDP Office of Audit and Investigation. The top 11 audit-related management priorities serve to help managers focus on key audit concerns and to address underlying systemic issues. UNDP management has also utilized the half-yearly report of the Office of Audit and Investigation in the Operations Group, chaired by the Associate Administrator.

9. Preliminary internal assessments have revealed encouraging results in the majority of the top 11 audit-related management priorities, but there are still risks to be managed and monitored. In the area of nationally executed and/or implemented projects and nationally executed audit management, improvements were noted in the percentage of audit report submissions and the management of advances. The Office of Audit and Investigation reported that audit reports covering 82 per cent of such expenditure planned for audit had been received by the end of June 2009, compared to 59 per cent by the end of June 2007. In accordance with the recommendation of the Board of Auditors, UNDP has revised the Atlas 'dashboard' to keep better track of the aging of advances forwarded to governments and non-governmental organizations for nationally executed projects. In June 2009, only 4 per cent of such advances were outstanding for more than 12 months, compared with 28 per cent in June 2007.

10. While the net financial impact associated with qualified audit opinion for 2008 is comparatively lower, at 0.45 per cent of total audited nationally executed and/or implemented project expenditure (compared with 0.7 per cent for 2007 and 1.5 per cent in 2006), a handful of country offices collectively accounted for 90 per cent of the net financial impact for 2008. Those offices have been advised to review the reasons for the audit opinions and discuss alternative implementation arrangements with their respective programme governments.

11. The harmonized approach to cash transfers is a risk management approach adopted by UNDP, UNFPA, the United Nations Children's Fund and the World Food Programme for transferring cash to government and non-government implementing partners on the basis of the joint assessment of the financial management capacity of implementing partners. According to statistics gathered by the Development Operations Coordination Office, 122 countries are in various stages of implementing the harmonized approach. By April 2009 a total of 89 countries had reached (or were in the process of reaching) agreement with their programme government to adopt the approach; 89 macro-assessments were completed or under way; 77 countries had completed (or were in the process of completing) micro-assessments, and 57 had developed or were developing audit and assurance plans. The harmonized approach was fully implemented in 19

countries. Besides including its implementation as one of the indicators in the country office 'balanced scorecard', UNDP provided targeted support to country offices with a dedicated resource person for one year, focusing on giving the required boost to the process...

12. In the area of project planning, monitoring and evaluation, key milestones achieved included the launch of the UNDP project planning, monitoring and evaluation handbook, to help practitioners on the ground implement UNDP policies and procedures in project and programme management as described in the corporate programme and operations policy and procedures. The results-based management system has been enhanced to ensure the integrated, transparent reporting of management and development results to the Executive Board. In addition, the UNDP policy and procedures for national implementation by governments will provide much-needed clarity in enhancing the accountability and responsibilities of UNDP vis-à-vis its implementing partners in balancing the capacity-building objectives and fiduciary risks associated with the various implementation modalities. This is expected to complement the harmonized approach to cash transfers and contribute to risk-informed decisions.

13. In the area of procurement management, UNDP plans to build procurement competency and sustainable capacities in its country offices. To ensure field-sensitive responses to special requirements on the ground, especially in crisis or emergency situations, UNDP has appointed regional chief procurement officers, who have procurement authority within defined parameters. In addition, monitoring mechanisms and tools such as the procurement 'dashboard' and the online system of the Advisory Committee on Procurement are in place to protect and enhance the integrity of procurement processes in UNDP offices.

14. To strengthen procurement competency and capabilities, several components of the UNDP procurement strategy are in place in the planning stages. For example, UNDP has established its own procurement certification programme; there is at least one procurement-certified staff member in all UNDP country offices (except for two French-speaking offices, where customized assistance has been provided in furtherance of this goal). UNDP is in the final stages of formalizing an advanced procurement certification programme accredited with an external professional institution. In addition, there is now a regional Advisory Committee on Procurement advisor in all five regions who, together with the Chair of the Committee at headquarters, will provide support to the regional chief procurement officers delegated with procurement authority to approve contracts in their respective regions.

15. One challenge that remains to be solved is that of institutionalizing the procurement planning process for all country offices and headquarters units. This is under way in country offices that have requested a higher level of procurement authority and will be extended to other offices, with the objective of improving integration with programmatic work planning processes in the country offices.

16. In the area of financial and resource management, the key milestones included: (a) Timely reconciliation of all 67 headquarters and 533 country office bank accounts; (b) Clean-up of user profiles in the Atlas system and realignment of the profiles with the revised internal control framework, as part of the Atlas upgrade; (c) By the end of September 2009, more than 94 per cent of UNDP country offices had completed their 2009 mid-year asset certifications. Additional training was provided to asset focal points at country offices and headquarters units to address associated data-quality issues noted in preparation for the closure of the financial accounts; and (d) Current indications are that

towards the end of the 2010-2011 biennium all development projects (assuming an average duration of approximately four years) will reflect cost recovery rates of 7 per cent for third-party cost-sharing and trust-fund projects, and 3 per cent for programme country cost-sharing projects, consistent with decision 2007/16 of the Executive Board.

17. In view of Executive Board decision 2009/15, deferring the implementation of the international public service accounting standards until 2012, the following audit recommendations will be similarly deferred: (a) the recommended reassessment of field accommodation reserves; and (b) full disclosure of actual leave accruals and repatriation grants liability in the financial statements.

18. In the area of human resources management, significant milestones included the promulgation of the UNDP recruitment and selection framework with clear guidance to hiring units and country offices on recruitment and selection process requirements and associated accountabilities, as well as the establishment of a centralized compliance review board in the wake of the Contract Reform. This will ensure proper recruitment processes and quality assurance steps (including academic and professional reference checks) are duly conducted by the hiring units before cases are submitted to the compliance review board prior to extending offers to successful candidates.

19. UNDP made measured progress in engaging the Executive Board, the Audit Advisory Committee and the United Nations Board of Auditors in preparing for implementation of the international public service accounting standards. UNDP aligned its rules, processes and procedures for certain of the standards in an incremental fashion prior to the 2012 date for full adoption. In addition to conducting a policy analysis of the relevant accounting standards, UNDP worked on operationalizing the communication and change strategies including the launching of the relevant website, the planned introduction of computer-based courses on the standards, and the design of a UNDP readiness 'dashboard' to assist UNDP offices in preparing their staff, managers and their offices for implementation of the standards. One of the key challenges was the funding support for both one-time project costs and recurring costs associated with the additional workload in the areas of asset management, receipting, and revenue management.

20. Preliminary results of the status as at June 2009 indicated that country offices were monitoring and following up on some 64 unresolved long-outstanding recommendations. UNDP expects the number of unresolved long outstanding recommendations to be reduced at the end of the next review in December 2009. One of the challenges faced by several country offices relate to recommendations that require the specific reciprocal actions of external parties to UNDP such as the programme governments in the area of the payment of outstanding government contributions to local office costs or recommendations related to inter-organizational cost recoveries.

Annex. Top 11 management priorities in 2008-2009 and audit accountability framework

Top management priorities to address audit issues in 2008-2009

Audit follow-up on nationally executed projects and outstanding advances	Project/programme design, monitoring and evaluation	Procurement management in country offices
Atlas user security and internal control	External tables In-bank reconciliation	Asset management
Trust funds management	Integrity of staff recruitment process	Common services
Preparations for adopting international public sector accounting standards		Long-outstanding audit recommendations

Accountability-responsibility matrix for audit issues

***Who* is responsible and accountable for audit follow up?**		***What* are they responsible for and to *whom* are they accountable?**		
In country office	**At headquarters**	**Management response**	**Management actions**	**Accountability for results**
Director, regional bureau	Director, headquarters bureau	Endorse management response to audit management letter	Provide management guidelines	To Associate Administrator for offices rated 'unsatisfactory'
Resident representative or A.I.	Head of department or OIC	Sign off management response to audit	Direct remediation efforts; decide on headquarters referrals	To director, regional bureau, for actions to avoid another unsatisfactory rating
Deputy RR (Programme)	Deputy director or equivalent	Draft management response; implement required remediation actions	Address related staff competency or office environmental issues	To head of office for programme-specific issues
Deputy RR (Operations)	Operations manager or equivalent	Draft management response; implement required remediation actions	Address related staff competency or office environmental issues	To head of office for operations-specific issues
BOM director, BDP director, PB director, BCPR director, OSG director, OAI director and EO Director		Acknowledge policy reviews (where required)	Formulate and seek approval from Associate Administrator for required changes	To Associate Administrator for quality of policy and follow-up reviews
			Formulate and seek approval for required infrastructure changes or tool enhancements	

A.I. = ad interim; OIC = officer-in-charge; RR = resident representative; BOM = Bureau of Management; BDP = Bureau for Development Policy; PB = Partnerships Bureau; BCPR = Bureau for Crisis Prevention and Recovery; OSG = Operations Support Group; OAI = Office of Audit and Investigations; EO = Evaluation Office.

United Nations DP/2010/12

Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund

Distr.: General
11 December 2009

Original: English

First regular session 2010
19 to 22 January, New York
Item 13 of the provisional agenda
Other matters

Employment programming in response to the global financial and economic crisis*

Contents

Chapter		*Page*
	Introduction	2
I.	The current situation	2
II.	UNDP country programmes	5
III.	Thematic areas	7
	A. Policies to promote employment-led growth	7
	B. Entrepreneurship and development for self-employment	7
	C. Capacity development initiatives to promote investment and competitiveness in employment intensive growth sectors	7
	D. Access to finance for self-employment	8
	E. Vocational education and training	8
	F. Temporary employment and employment guarantee schemes	9
IV.	Ways forward	9
Annexes		
	1. The impact of the crisis on the health workforce	11
	2. Indicative UNDP projects in key thematic areas	12
	3. UNDP-led projects approved under the 'youth, employment and migration' and 'private sector and development' windows of the UNDP-Spain MDG-Achievement Fund	20

09-64689 (E) 070110

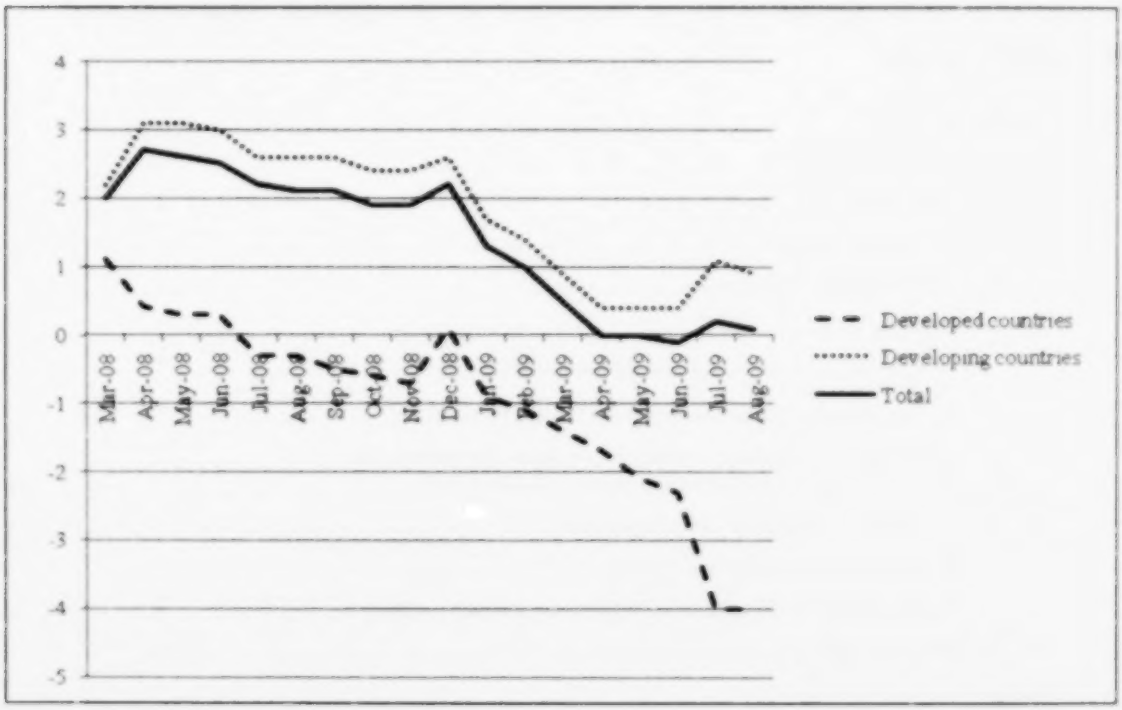
Introduction

1. The present report outlines responses to employment issues arising in the context of the global financial and economic crisis. It summarizes current global trends in employment and unemployment and their implications for poverty reduction; the UNDP employment programming portfolio, including related programmes for promoting private sector development; and 'pipeline' UNDP initiatives that will contribute to the realization of the 'global jobs pact'. Further examples of the impact of the crisis, as well as past and ongoing programmes at the country level, are provided in annexes 1-3.

I. The current situation

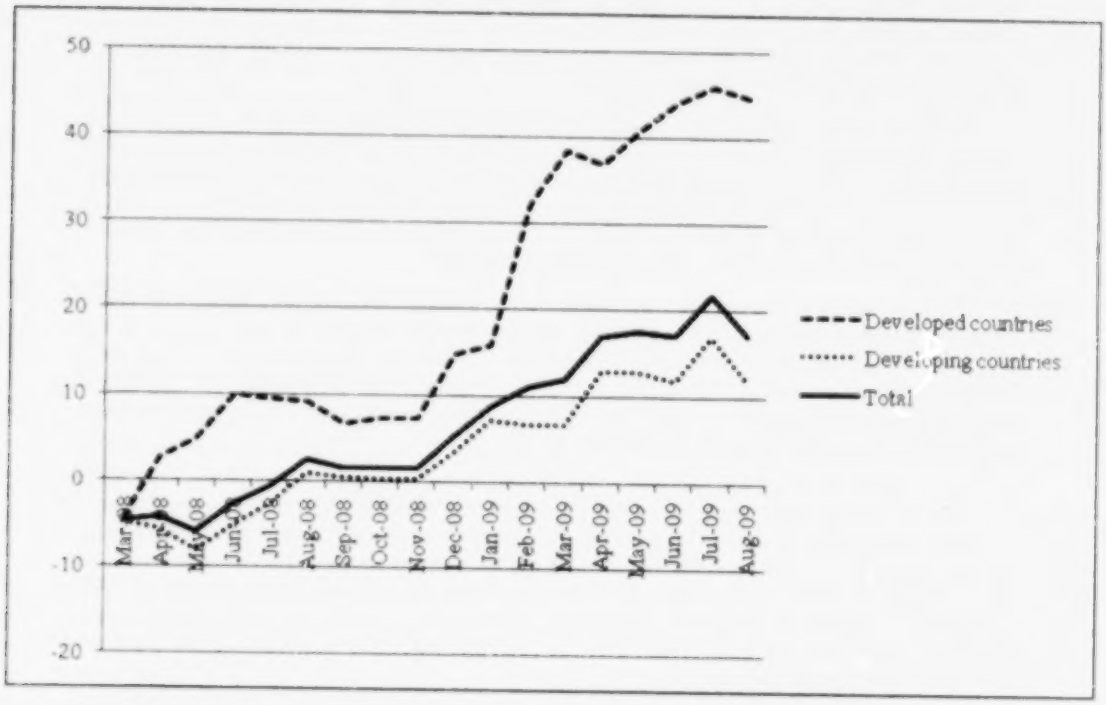
2. Figures 1 and 2, below, summarize changes in total employment and unemployment from March 2008 to June 2009, broken down by developed and developing countries. [1]

Figure 1. Total employment change (percentage change compared to preceding 12 months)



[1] Source: *ILO Key Labour Market Indicators*, 26 October 2009

Figure 2. Total unemployment change (percentage change compared to preceding 12 months)



3. As figures 1 and 2 show, employment in developing countries continued to grow during this period – although at a significantly reduced rate – while employment dipped in developed countries July 2008 and, with the exception of a seasonal spike in December 2008, continued to decline thereafter. Unemployment increased significantly, having the most severe impact in the countries of the European Union and other developed economies, Central and South-Eastern Europe and the Commonwealth of Independent States, and East Asia. Recent employment projections by the International Labour Organization (ILO) suggest that large-scale job losses intensified during the first half of 2009 and could result in a year end turn-out of 23 million (best-case scenario); 31 million (likeliest scenario); or 53 million (worst-case scenario).

4. The projected gender impact of increasing unemployment varied across regions and countries. In regions where women were more likely to be unemployed than men before the crisis (North Africa, Latin America and the Caribbean), unemployment rate increases are expected to be higher for women than for men – in other words, the crisis would exacerbate existing differentials. In regions with limited differentials (the countries of the European Union and other developed economies, non-European Uni ר countries of Central and South-Eastern Europe, and East Asia) a convergence would be expected, although the precise extent of it would depend on a range of variables, including levels of female participation in the temporary employment sector. Temporary employees are typically not protected by collective bargaining agreements and are therefore more vulnerable in periods of labour market contraction.

5. Significant variations in overall unemployment rates are expected as a result of the economic and employment structure of individual countries. The World Bank has indicated that the largest losses would occur in countries with significant export sectors (such as mining and garment manufacture), many of which employ disproportionate numbers of women. In general, wage labour is relatively secure as a result of the ability of employers to contain potential losses through

internal flexibility (granting administrative leave, shifting to part-time work).[2] This is graphically illustrated in the case of Russia, which, by early 2009, had witnessed a ten-fold increase in workers on administrative leave or employed on a part-time basis over the previous 12 months. A summary of the impact of the global economic and financial crisis on labour market trends in the health sector is provided in annex 1.

6. The impact of contracting labor markets is likely to be particularly severe for youth, with the number of unemployed projected to have risen to between 5 and 18 million during 2009. In percentage terms, youth are approximately three times more likely to be unemployed than adults in 2009, although once again there are significant regional variations. Youth unemployment is highest in the non-European Union countries of Central and South-Eastern Europe, followed by the European Union countries and other developed economies.

7. The year 2009 was the poorest with respect to job creation since the late 1980s, with global employment growth falling below 1 per cent, and into negative territory in the countries of the European Union and other developed economies, Central and South-Eastern Europe (non-European Union) – as well as in East Asia, with Latin America and the Caribbean in a 'worst-case scenario'. Productivity, which normally lags behind the growth cycle, will also continue to decline as employers shift from high to lower productivity jobs.

8. At the outset of the global financial and economic crisis, vulnerable employees – that is, the sum of own-account and contributing family workers without formal work arrangements – exceeded the number of unemployed by approximately 14 times in South Asia and East Asia, 10 times in South-East Asia and the Pacific, and approximately 9 times in Sub-Saharan Africa. In the 'best-case scenario', vulnerable employment is projected to decline marginally during 2009, continuing a long-term downward trend. But the likeliest- and worst-case scenarios show vulnerable employees comprising as much as 52.8 per cent of the global labour force, or 1.61 billion workers, for the year.

9. The combination of a decline in productivity and a rise in vulnerable employment will result in an increase in the number of working poor. Before the 2007 crisis, 22 per cent of the global labour force and their families lived in extreme poverty, with an average income of under $1.2 per day. Recent estimates suggest that up to an additional 6.8 per cent risked slipping below the poverty line in the period 2007-2009. Projecting forward, the incidence of working poverty shows a similar pattern to vulnerable employment. In the best-case scenario, extreme working poverty will continue to fall. However, likeliest-case and worst-case scenarios produce alarming estimates, with over 25 per cent of the global labour force living in extreme poverty. In absolute terms, this would mean up to 222 million additional workers living in extreme poverty.

10. Clear regional variations exist with respect to unemployment (including women and youth), job creation, productivity, vulnerable employment and the levels of working poverty. In terms of the overall impact on growth, the wealthier economies of the European Union and other developed countries, Central and South-Eastern Europe (non-European Union) and Commonwealth of Independent States regions have fared the worst, followed by the Latin American and Caribbean regions. East and South Asia have held up comparatively well, buoyed by the growth of China and India, and many of the economies of the Middle East, North Africa and Sub-Saharan Africa have continued to experience growth, albeit at a slower rate due to falling commodity prices.

11. Unemployment has surged in the European Union and other developed economies, Central and South-Eastern Europe (non-European Union) and the Commonwealth of Independent States regions, and has risen significantly in Latin America and the Caribbean and East Asia.

[2] 'Impact of the Financial Crisis on Employment' – World Bank, November 2009; see:
http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,print:Y~isCURL:Y~contentMDK:21039894~menuPK:34480~pagePK:34370~piPK:116742~theSitePK:4607,00.html

Unemployment *rates* have not risen markedly in the 2007-2009 period in the Middle East, North Africa and South Asia regions, although the absolute numbers of unemployed have increased.

12. Vulnerable employment was a significant problem in South and East Asia, South Asia and the Pacific and Sub-Saharan Africa before the crisis, while the Middle East and North Africa experienced rapidly growing populations with large numbers of unemployed youth and significant gender disparities. Those challenges will persist even after the crisis is over, and will have severe social and political implications if they go unchecked. In addition to increased poverty levels, sharply contracting employment opportunities are strongly associated with an increase in violent conflict, human trafficking, labour and sexual servitude.

II. UNDP country programmes

Project portfolio[3]

13. The contribution UNDP makes to employment creation at the country level is mandated by strategic plan outcomes 1.1.1, 1.1.6 and 1.2.1.4 Employment projects fall into 6 'thematic' categories:

(a) Macro-economic reforms and 'sectoral' policies (such as small and medium-sized enterprise development and foreign direct investment) to promote employment-led growth;

(b) Entrepreneurship development initiatives (such as the provision of training and business development services) to promote self-employment and small enterprise development;

(c) Capacity development initiatives to promote investment and competitiveness in employment growth-potential sector;

(d) Access to finance initiatives to encourage investment and employment growth in micro-enterprises and small and medium-sized enterprises;

(e) Vocational education and training initiatives; and

(f) Temporary employment creation and employment guarantee schemes.

14. In 2008, the global employment portfolio of UNDP consisted of approximately 470 projects with a total budgeted value of $162 million. Most projects addressed more than one of the above categories, the most common being investment and competitiveness – followed by small enterprise development, policy reform, and access to finance. 'Pure' active labour market programmes, including vocational education and training initiatives, comprised smaller but still significant shares of the global portfolio.

15. The two most commonly occurring themes in all regions – with the exception of Sub-Saharan Africa – are small enterprise development and competitiveness (see figure 3), although the small enterprise development theme features more prominently in Sub-Saharan Africa, and the competitiveness theme more prominently in the Asia Pacific region and Latin America and the Caribbean. Policy initiatives, such as labour market and business-environment reforms, account

[3] Source: UNDP Atlas records: 2008 live projects

[4] Employment programmes typically address one or more of three strategic plan outcomes, namely:

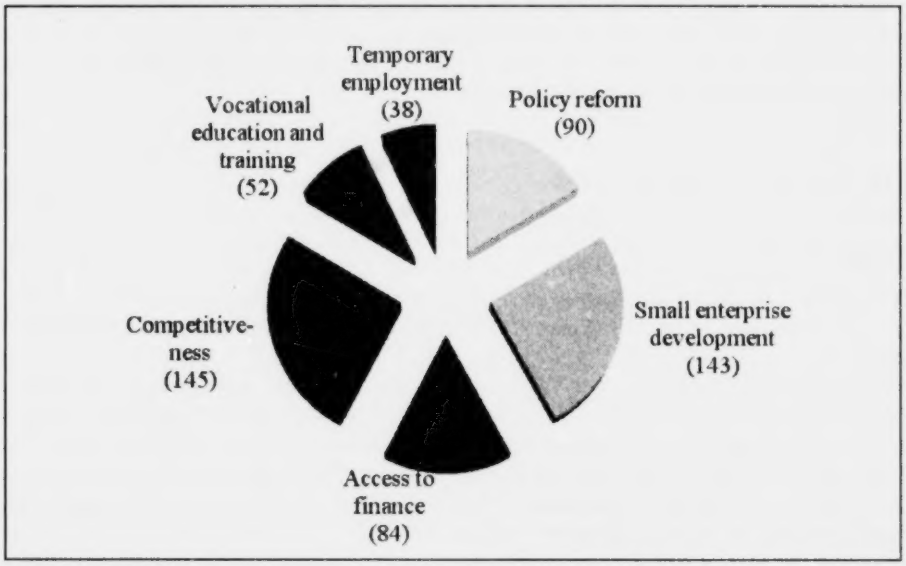
(a) 'Millennium Development Goals-based national development strategies to promote growth and employment and reduce economic, gender and social inequalities' (outcome 1.1.1);

(b) ' Policies, strategies and partnerships established to promote public-private sector collaboration and private sector and market development that benefits the poor and ensures that low-income households and small enterprises have access to a broad range of financial services' (outcome 1.1.6); and

(c) 'Enhanced national capacities to integrate into the global economic system and to compete internationally, consistent with the achievement of the Millennium Development Goals and other internationally agreed development goals' (outcome 1.2.1)

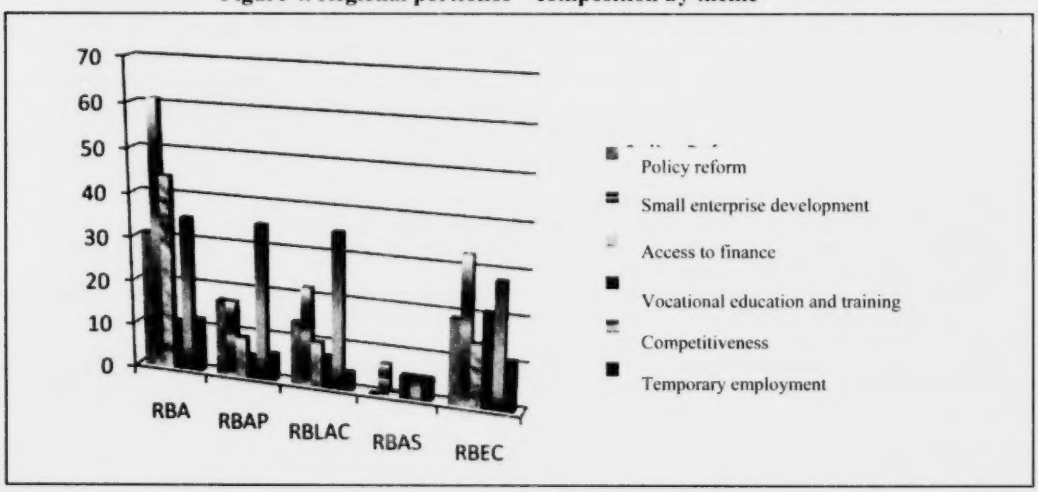
for 15-20 per cent of the portfolio in all regions except the Arab States, where there are none. Vocational education and training, and temporary employment initiatives, account for less than 15 per cent of the employment portfolio – again with the exception of the Arab States, where they account for almost half the portfolio.

Figure 3. Global employment portfolio – composition by theme



16. The majority of projects are small. Eighty-three per cent have an annual budget of under $0.5 million, with a further 7 per cent in the $0.5 million to $1 million category. Sub-Saharan Africa, and Central and South East Europe (non-European Union) and Commonwealth of Independent States regions have the highest numbers of projects, but the projects are on average less than half the global average size. By contrast, the Latin America and the Caribbean region has the highest level of expenditure: the Regional Bureau for Latin America and the Caribbean (RBLAC) disburses almost three times as much as the Regional Bureau for Africa or the Regional Bureau for Europe and the Commonwealth of Independent States. The majority of RBLAC projects are over twice the average size globally, and include almost half the projects with a budget in excess of $1 million.

Figure 4. Regional portfolios – composition by theme



III. Thematic areas

17. An overview of UNDP activities in each of the six thematic areas is provided below. Further details of indicative UNDP employment projects are provided in annex 2. A summary of employment related projects recently approved under the Spanish MDF Achievement Fund is provided in annex 3.

A. Policies to promote employment-led growth

18. Work on strategic approaches to employment-led growth is spearheaded by the 'inclusive development' cluster of the Poverty Group in the Bureau for Development Policy. Previous 'foundational' work on the growth-employment-poverty nexus has spawned a number of research and advocacy initiatives in topical areas such as 'green jobs',[5] the impact of microfinance on sustainable employment creation, and the role of industrial policies in fostering economic diversification and employment-intensive growth. Through the Poverty Group, UNDP participates in the Employment Policy Coherence group – a multi-organization initiative led by ILO.

19. Complementary initiatives of Private Sector Division and the International Policy Centre for Inclusive Growth (under the Poverty Group) focus on the identification and selection of sectors and markets with the potential for employment growth.

20. Examples of ongoing policy initiatives at the country level include: support for policy reforms to promote youth employment in Serbia; the formulation of entrepreneurship and industrial development policies for Nicaragua; agricultural policy reforms to promote rural development and employment in Tajikistan; and the development of a national policy strategy for micro-, small and medium-sized enterprises in Angola and Iraq.

B. Entrepreneurship development for self-employment

21. The UNDP entrepreneurship development portfolio includes, most notably, the Empretec and Enterprise Africa programmes. Empretec, which is managed by the United Nations Conference on Trade and Development, was launched in 1988 and operated in 27 countries, predominantly in Latin America and Africa, in 2009. It identified promising entrepreneurs, provided them with entrepreneurship skills and gave them access to advisory services and potential trade partners. The Enterprise Africa project, which is explicitly based on core elements of the Empretec programme, operated in more than 15 countries. In a number of programme countries, UNDP implemented the 'Start and Improve Your Own Business' programme created by ILO.

22. Other country-level programmes included support for livelihood skills and income-generating activities in the Palestinian Territories and Uganda; entrepreneurship training for women in the food processing sector in Viet Nam; and the strengthening of women's entrepreneurship organizations in Narino, Colombia.

C. Capacity development initiatives to promote investment and competitiveness in employment intensive growth sectors

23. Initiatives to promote investment and competitiveness in sectors with potential for employment growth account for the single largest share of UNDP employment and private sector development programming. They include measures to support the development of regional and

[5] *Green Jobs for the Poor – A Public Employment Approach*, UNDP Poverty Group discussion paper, April 2009

local economic development agencies, 'one-stop' shops, business service centres and business incubators, and a growing portfolio of value-chain interventions designed to build the capacity of small producers, connect them to new markets and address policy, institutional and other constraints. Following the adoption of an 'inclusive markets' approach in the UNDP private sector strategy,[6] efforts are under way to strengthen the sectoral and market focus of the global 'growing inclusive markets' programme and the value-chain component of the 'growing sustainable business' programme. The latter includes a portfolio of approximately 20 broker-led investments, some two thirds of which secure and create new employment opportunities by encouraging partnerships between small producers and lead companies. As mentioned above, a further 7 value-chain development projects were approved under the 'private sector and development' window of the UNDP-Spain 'MDG achievement fund'.

24. Examples of UNDP country-level programmes include: a project linking textile and apparel small and medium-sized enterprises to manufacturers and international brands in Turkey; assistance in upgrading production and standards in the garment sector in the Lao People's Democratic Republic; support for small-scale farmers and agricultural value-chains (numerous countries, including Indonesia, Malawi, Nigeria and Uganda); and the 'job opportunities through business support' project in Bulgaria, which supported the establishment and operation of a network of 42 small-business service centres in rural areas and provides financial and technical services the unemployed, entrepreneurs and start-up businesses.

D. Access to finance for self-employment

25. UNDP supports the development of inclusive financial sectors, primarily through its sister organization the United Nations Capital Development Fund (UNCDF). UNCDF operates in 38 of the 49 least developed countries, as well as in Nicaragua and Viet Nam, and is implementing the MicroStart programme for microfinance institutions in 12 others, including Côte d'Ivoire, Guatemala and Pakistan. While the 'inclusive financial sectors' approach entails increasing access to a broad range of financial services – including savings, pensions, mortgages and international money transfers – the majority of resources flow into services that support local employment growth and retention, such as microcredit and, to a lesser extent, insurance, leasing and factoring.

26. UNCDF has three main thematic initiatives. The 'MicroLead facility' (funded by the Bill and Malinda Gates foundation) helps microfinance institutions founded in the South to expand their operation in least developed countries. The 'funding facility for remittances' (managed by the International Fund for Agricultural Development) helps reduce the cost of international money transfers and increase access to remittance services in rural areas. In cooperation with ILO, a third initiative promotes a sector-based approach to the development of various micro-insurance products that help small producers manage business risks and increase or protect employment.

27. Examples of microcredit programmes include the UNCDF-UNDP regional 'building inclusive financial sectors' programme for Africa, the 'sustainable pro-poor financial sector' programme, in Sierra Leone, the 'building inclusive financial sectors' programme, in Mozambique, and the 'microfinanzas para desarrollo productivo' programme, in Uruguay.

E. Vocational education and training

28. UNDP programmes to support labor-market restructuring through vocational education and training focus on three main areas: the direct delivery of vocational training; workforce integration (assisting excluded groups such as youth, women, the long-term unemployed, ethnic minorities, people with disabilities and ex-combatants to acquire skills and access new employment

[6] *Promoting Inclusive Market Development*, UNDP, September 2008

opportunities); and capacity-building for labor-market institutions such as line ministries, public employment services and vocational training centers.

29. Examples of such projects include vocational education and training programmes for women in Jordan, street children in Kyrgyzstan, and intravenous drug users and HIV victims in Poland; the establishment of youth-employment resource centres in Syria; and a programme and strengthening of the public employment service and vocational training centres in Kosovo.

F. Temporary employment and employment guarantee schemes

30. While temporary employment creation schemes have been a mainstay of post-conflict economic recovery programming for many years, there is evidence to suggest that their popularity has increased significantly as a result of the global financial and economic crisis, and rising unemployment levels, in many programme countries. Current programmes can be divided into two basic types. Public works programmes – sometimes also referred to as cash-for-work or employment guarantee schemes – provide temporary employment and sometimes skills training for target beneficiaries such as women and long-term unemployed persons, in relation to public initiatives that benefit the wider economy, such as the construction or rehabilitation of infrastructure; environmental remediation; and social development projects. Food-for-work programmes, as the name suggests, provide food aid or wages for workers in return for work on projects that raise agricultural productivity and address longer-term food security.

31. Current projects include the 'recovery and employment Afghanistan' programme, which seeks to rebuild infrastructure by creating temporary employment for internally displaced persons; and the Kosovo employment-generation projects, targeting youth and socially excluded groups in rural areas. UNDP has also contributed significantly to the rural-employment guarantee scheme in India. In 2009, the UNDP poverty group, in collaboration with the Levy Institute and the Regional Bureau for Latin America and the Caribbean organized a conference to explore experiences on employment guarantee schemes. The event was attended by academics, experts and UNDP representatives of Latin American country offices.

IV. Ways forward

32. The response of UNDP to the global economic and financial crisis builds on the above portfolio, focusing on policy advice to accelerate employment creation, jobs recovery and sustainable enterprises, while supporting governments in building social insurance systems that protect the working poor and people who do not have access to jobs.

33. At the global level, UNDP is working to operationalize the concept of employment-led growth and, in particular, to enable governments to evaluate trade-offs between the promotion of employment-intensive economic sectors and the demands of long-term productivity and competitiveness. Meanwhile, building on earlier work on the growth-employment-poverty nexus, UNDP will advocate for the integration of employment-led growth strategies, including private sector development strategies into poverty reduction strategy papers and other national programming frameworks.

34. Consistent with the requirements of paragraphs 11 and 21 of the Global Jobs Pact, the analytical efforts of UNDP will focus on six thematic areas:

(a) Promoting of 'green' jobs, that maximize the effect of investments in environmental conservation and rehabilitation with employment creation and poverty reduction in developing countries;[7]

[7] This work will build on the UNDP Poverty Group discussion paper '*Green Jobs for the Poor: A Public Employment Approach*', April 2009

(b) Understanding the impact of specific policy measures on employment creation and protection, including microcredit programmes;

(c) Exploring (with ILO) the linkages between business environment reforms and transition to the formal sector;

(d) Promoting policy 'best practices' that increase the competitiveness of small and medium-sized enterprises and economic sectors with the potential for employment growth, avoiding protectionism while ensuring that globalization is fair and sustainable; and

(e) Identifying opportunities for sustainable private-sector investments that increase employment opportunities for the poor, including market research in sectors with the potential for employment growth and 'inclusive business models.'

35. A globally supported programme under the 'Youth Environment Network' will focus on the creation of 'green' jobs for young people (to be piloted in Nepal and Nicaragua). Consistent with the requirements of paragraph 12 of the Global Jobs Pact, a further global initiative will be undertaken to advocate for de-linking formal sector employment from social insurance systems.

36. At the country office level, UNDP will respond to the exigencies of local needs, wherever possible and appropriate, and in cooperation with other United Nations specialized agencies, funds and programmes.

Annex 1

The impact of the crisis on the health workforce

37. Severe crises in the health-care workforce afflict 57 countries today, mostly in Africa and Asia. Sub-Saharan Africa faces the greatest shortage of health workers: with 24 per cent of the global burden of disease, it possesses only 3 per cent of the global health-care workforce, compared to 42 per cent in the Americas.[8] Large numbers of health-care professionals are directly affected by the HIV/AIDS epidemic. In one region of Zambia, for instance, 40 per cent of midwives are HIV positive, and between 1999 and 2005 Botswana lost 17 per cent of its health-care workforce due to AIDS.[9] The deterioration of the economic situation affects the availability of health workers where they are needed most (rural areas in developing countries).

38. Economic hardship at home can increase incentives for health workers to seek employment abroad, thus exacerbating the already prominent out-migration of nurses and doctors from less to more developed countries.[10] In the present crisis, the health sector is one of the few that has continued to *create* jobs in Europe and the United States – thus generating further migration pressures – although, to date, this has precipitated only limited changes in health worker mobility.[11]

39. That development can result in the lack of motivation, low-quality care, understaffing and long hours, thus creating further incentives for migration. Recruitment and training of medical staff may also be foregone because of other priorities. When funds are dwindling, investment in human capital is considered less important than the provision of primary health care and emergency care. In short, long-term objectives are likely to be sacrificed to efforts to sustain the basic health of the population unless there is clear evidence of savings or other positive impact.

[8] World Health Organization. *The global shortage of health workers and its impact*. 2006; Fact sheet no. 302.

[9] UNAIDS. *The impact of AIDS on people and societies*. In: 'Report on the global AIDS epidemic', 2006. Chapter 4.

[10] Global Health Workforce Alliance. Statement on migration and the International Code of Practice on the international recruitment of health workers. 8 December 2008.

[11] World Health Organization Europe, Norwegian Ministry of Health and Care Services, Norwegian Directorate of Health. *Health in times of global economic crisis: implications for the WHO European Region*. Discussion paper, 2009, and World Health Organization. *Impact of the global financial and economic crisis on the achievement of the health Millennium Development Goals*. Discussion paper, 2009.

Annex 2

Indicative UNDP projects in key thematic areas

40. This annex contains a summary of indicative country-level projects in the six thematic areas outlined above. The programmes are not comprehensive, and the emphasis is on direct employment creation initiatives, as distinct from initiatives that contribute to employment growth indirectly (by building competitiveness or access to finance, for example).

41. The programmes are organized alphabetically, by country, and the thematic focus of the programmes, drawn from chapter III, sections A to F, follow the country name.

Afghanistan (E – Temporary employment)

42. The recovery and employment Afghanistan programme seeks to rebuild the infrastructure of the country by employing Afghanis (particularly internally displaced persons), on a short-term basis, in return for day wages. Since beginning in 2002, more than 260 projects have been initiated, employing 40,000 people.

Albania (A – Policies to promote youth employment)

43. The United Nations in Albania started implementation of a joint programme on *youth employment and migration* funded through the 'MDG achievement fund' (see annex 3). The programme is implemented by UNDP, the United Nations Children's Fund (UNICEF), ILO (lead) and the International Organization for Migration (IOM). It seeks to enhance youth employment and migration management through better alignment of the national strategies that address those issues. It builds on three interlinked outcomes that aim to:

(a) strengthen the capacity of labor market institutions to integrate and operationalize national policy priorities through a coherent youth employment action plan;

(b) Devise strategies that minimize the risks of migration of disadvantaged youth from rural areas; and

(c) Increase the positive impact of migration through the Brain Gain Program and the mobilization of Albanian communities abroad for youth employment and community development. The project is piloted in two regions of northern Albania, Shkodra and Kukes, where youth migration and informal employment levels are high.

Belarus (A and E – Policies to promote youth employment, vocational education and training)

44. The programme 'preventing, fighting and addressing the social consequences of trafficking in human beings', in (2008-2010), is funded mainly by the European Commission. People become victims of human traffickers mainly due to inequitable resource allocation and the absence of viable sources of income. In Belarus, young people are one of the most vulnerable groups in the labor market. Despite a low official rate of unemployment, young people are disproportionately represented among the unemployed. About 38 per cent of the unemployed are young people.

45. The lack of knowledge and limited familiarity with the requirements of perspective employers increases young people's risk of long-term unemployment, leading to their social exclusion, a passive attitude to life, and the adoption of a lifestyle of dependency. Some seek to apply their knowledge and energy in the 'shadow' economy, or leave the country to do seasonal work. To that end, students and graduates from universities and vocational schools, as well as orphanage leavers (the most vulnerable group of young people), are included in the priority target group for a full scope of preventive measures to be undertaken by the project. Thus, with increased protection and rehabilitation of victims of trafficking, the project will contribute to generating part-time and long-term employment for young people.

Bhutan (B and C – Women's entrepreneurship and capacity-building)

46. '*E-business piloting and readiness for rural women artisans and entrepreneurs in Bhutan*' is a UNDP project that blends traditional crafts and information technology to benefit rural women. Many of the producers of these crafts are women living in the rural areas, who often lack access to information, markets and the business skills they need for promoting their products. UNDP support for this initiative is based on identifying the rural women's needs and providing training tailored to those needs. UNDP has conducted needs assessments that have identified issues such as lack of market information, business strategies, and skills to accommodate designs to fit market demand. The project will also support the establishment of a network of handicraft producers with the help of the National Women's Association of Bhutan.

Bosnia and Herzegovina (B, C and E – Entrepreneurship development, capacity building and vocational training for women-headed households and internally displaced persons)

47. The *Srebrenica regional recovery programme* is an integrated, comprehensive framework that seeks to revitalize the human and physical capital of the region and comprises three interrelated components: economic development, local governance, and infrastructure. Through employment programs and training targeting micro-, small and medium-sized enterprises, internally displaced people and woman-headed households, the programme leads towards a comprehensive long-term strategy with the goal of ensuring sustainable development. Particular efforts were placed on broadening and reinforcing partnerships with the local stakeholders.

Bulgaria (B, C, D, E and F – Entrepreneurship development, capacity building and access to finance, vocational education and training and temporary employment)

48. '*Beautiful Bulgaria*' began in 1997 as a project to address the challenges of run-down urban infrastructure, poverty, unemployment and pessimism about the future of the country. It trains unemployed persons in construction skills so that they can be hired by firms to carry out projects that improve the urban environment. The project makes unemployed people more employable, creates temporary jobs and regenerates the urban environment. This once-small project involving only five Bulgarian municipalities has been expanded to include over 180 municipalities.

49. 'From social assistance to employment' is a Government of Bulgaria programme that attempts to reintegrate the unemployed back into the labor force and reduce the strain on social services. Its objectives are both short- and long-term in scope, and include:

(a) To generate temporary positions for the unemployed in public works and social services;

(b) To provide literacy training and other coursework to increase the employment opportunities of participants;

(c) To improve living and environmental conditions in participating municipalities; and

(d) To deepen the social integration of citizens within their communities and governments.

In return for government subsidies and welfare benefits (usually for a period of nine months), beneficiaries are hired by local governments, public and private firms, or non-governmental organizations. Activities include: improving sanitation and recreational facilities; industrial clean-up and recycling; and reforestation and ecological protection.

50. The 'job opportunities through business support' project addresses unemployment and business development in Bulgaria by helping create long-term jobs and assisting start-up, micro and small business development through a network of autonomous, locally-owned business centres, business incubators and storefront operations. The project operates in 60 communities and provides support through consulting, office and information services, training, access to microfinancing (financial leasing and start-up grants), and business incubation. The beneficiaries are the unemployed, micro and small entrepreneurs, farmers, artisans and disadvantaged groups in the labor market.

51. The project, which forms part of the active labor market policy of the Government, seeks to:

(a) Foster growth and employment by providing comprehensive support to local businesses;

(b) Establish a network of 42 long-term viable business centres providing support to micro and small businesses; and

(c) Build national and local capacity to ensure sustainability of local business development efforts and initiatives.

52. Until the end June 2009, the main achievements of the project were:

(a) Business support organizations operational and on their way to long-term viability: 42

(b) Sustainable long-term jobs created / maintained: 36,625

(c) People trained; 57,970

(d) Business services provided to local companies: 182,337

(e) Micro, small and family businesses approved to access financial leasing: 2,115

(f) Financial leases utilized totaling $15.87 million

(g) Companies approved to use grants totaling over $3.3 million: 429

El Salvador (A – Polices for rural development)

53. UNDP assisted in formulating a *rural development strategy* with other donors, civil society organizations and the Ministry of Agriculture aimed at reducing poverty in rural areas by promoting agricultural development and non-agricultural activities. The strategy took a comprehensive view and included the role of macroeconomic, sectoral and institutional policies as well as that of the various partners: the State, civil society organizations, UNDP and the private sector. The strategy identified sectors of non-agricultural activities that should be promoted, as well as those linked to the agricultural sector (such as agro-industries and food-packing).

Georgia (D, E and F – Microfinance, training and temporary employment)

54. The five-day war in August 2008 left thousands displaced. Villages were burned, houses destroyed and farmland lost. Approximately 150,000 people fled the fighting. Now, at the onset of winter, some 30,000 are still displaced. The flood of people into the Shida Kartli region, bordering separatist Ossetia, has placed an extra burden on an area that was struggling economically even before the conflict.

55. The projects, one centring on infrastructure rehabilitation and one on microfinance, aim to alleviate hardships and improve the quality of life in Shida Kartli, in the Mtskheta-Mtaineti region, east of South Ossetia, and in the Samegrelo region, bordering Abkhazia.

56. Starting in January 2009, more than 10,000 people benefitted from school and municipal building rehabilitation, and repairs to water pipes and drainage systems. The rehabilitation projects provide vital jobs skills, helping individuals move out of poverty and improve their long-term employment prospects. As part of that vocational training, short courses in masonry, painting, plumbing, and other construction trades have been held at the University of Gori. By September 2010, nearly 1,000 people will have taken part in the job training.

57. For displaced individuals looking to return to farming – a key source of income in the region – or to start small businesses, financial help has also been made available. Micro-loans have helped individuals buy land or orchards, purchase equipment and buy livestock. Micro-loans have also been granted to those in the trade and service sectors. The University of Gori has provided individuals with training in business and financial management. In nine months, the microfinance program has distributed 346 loans valued at $284,920, with 60 per cent of the funds going to women. Such efforts build on European Union-UNDP activities put in place in the months following the August 2008 conflict.

India (B and F – employment guarantees, women's entrepreneurship and capacity building)

58. The UNDP country office is a key partner of the Government of India on its job guarantee programme, the *national rural employment guarantee scheme*, where a minimum of 100 days' wage employment, at the prevailing minimum wage in the area, is guaranteed to all eligible persons. UNDP strengthened government capacity to implement the programme by setting up a technical secretariat, with experts in monitoring, training and communications. It generated awareness about the scheme among potential participants, informing them about their rights and the benefits of the programme. This proved to be crucial in creating demand for work. It also helped ensure transparency in payment of wages and efficiency in administration by introducing innovative technologies like 'smart' cards, biometric devices and automated teller machines, and by digitizing information.

59. 'Sub-programme on promoting sustainable livelihoods in South Bihar by organizing women for self-employment.' The overall objective of the Government of India-UNDP *community-based pro-poor initiative support programme* was to support national efforts towards empowering poor and marginalized communities in rural areas and alleviating poverty through social mobilization and people-centered development.

Jordan (B and E – entrepreneurship development and training for youth)

60. UNDP supported the development of a national youth strategy, which facilitated the restructuring of 120 youth centres in different regions of the country. The UNDP project enabled the government to provide training for the youth to ease their access to labor markets and establish their own businesses.

Kenya (B and C – women's entrepreneurship and capacity building)

61. *Soapstone Africa* is a programme set up by 11 community women's groups from a rural part of the Gucha district, in Kenya. The UNDP project provided support to local producers, who have been making handcrafted wares for years, to eliminate middlemen sellers who had been exploiting them. A website was established to showcase the products as part of the 'empowering women entrepreneurs' initiative.

62. Within the '*growing sustainable business*' programme, UNDP works in Kenya with producers of macadamia nuts and aims to provide them with access to fair-trade markets. The project aims to improve the operating conditions of the Mt. Kenya Nuts factory and improve the livelihoods of the farmers supplying it with macadamia nuts, with Global Entrepreneurs ensuring access to the international market.

Kosovo (B, E and F – temporary employment, youth entrepreneurship, and training)

63. The *employment generation project* seeks to involve the Government, municipalities, non-governmental organizations and the private sector in generating quick employment activities for low-skilled and chronically unemployed people. Its main beneficiaries are the young and socially excluded (ethnic minorities), particularly in rural areas. Employment creation is addressed through two channels: first, public tenders for projects would include a stipulation of employing a certain percentage of unemployed individuals participating in the programme; and, second, the Government would include a similar participation formula to employ persons in directly funded and implemented labor-intensive public-works projects. The project provides technical and managerial support for project implementation, preparation of implementation guidelines, and strengthening the capacity of relevant institutions to plan and design sustainable rural infrastructure at the municipal level.

64. The UNDP Kosovo office also supported labor market institutions mandated to provide employment, training services and direct assistance to unemployed youth. The programme has assisted employment offices in expanding their employment and training services in order to serve job seekers with different profiles. The programme has initiated an *institutional and enterprise-*

based training scheme that combines the provision of core employability skills (such as work readiness skills, teamwork, information and communication technology, and health and safety in the workplace) with enterprise-based training to provide job-specific skills to unskilled young job-seekers. 526 young job-seekers benefited from the program in 2008.

65. Budgeted at € 9 million and funded by the Government of Italy and the European Agency for Reconstruction, the *village employment rehabilitation* programme reached 25,000 beneficiaries between September 1999 and July 2001. UNDP acted as the executing agency to target three key areas of Kosovo with labor-intensive, small-scale work-for-progress projects. The programme was divided into three phases, and focused mainly on basic infrastructure and environmental issues arising from the war. Local communities were invited to select and prioritize the portfolio of projects to be included. This feature helped address inter-ethnic tensions, as different groups had to work together in determining and managing activities. Moreover, beneficiaries were sought out to represent the most vulnerable in society: the unskilled, minorities and the disabled.

Lebanon (E – vocational education and training for youth)

66. A UNDP project is being implemented by the non-governmental organization 'Hariri Foundation for Sustainable Human Development' on *youth mobilization and development in Beirut and its suburbs*. The objective of the project is to promote social equity and local stakeholders' empowerment through local employment recovery and livelihood opportunities projects in Beirut and its immediate suburbs.

67. Two main outputs of this project related to employment are:

(a) Skills training provided for unemployed youth and support job creation through employment/ job search centre matching demand and supply. The centre will act as the enabling structure to create, enhance and develop skills and competencies of the youths.

(b) A labour market study developed to decide on the skills needed in the market and help in matching labour supply and demand. The study was released last week under the title "Higher education and labour market outcomes in Lebanon".

Lesotho (A and B – policies for youth employment and entrepreneurship)

68. The UNDP office in Lesotho implemented a joint United Nations project, on *promotion of youth employment* from June 2006-June 2009. The partners in the project, implemented by the Ministry of Gender Youth, Sport and recreation, were UNDP, ILO, UNICEF and the Commonwealth Youth Programme. The results achieved, and the strong national ownership demonstrated by the project, led to plans for an expanded joint United Nations youth employment programme from 2009-2012. The strategy was to focus on the 'enabling environment' at the policy level; entrepreneurship development; resource mobilization; and partnership creation.

69. UNDP played the lead role in implementing the joint programme on youth employment. Achievements included preparing a draft 'youth action plan' to create an enabling national policy framework. A core group of 19 young women and 14 young men were trained as trainers, in turn, trained a total of 724 participants (233 men and 491 women) in entrepreneurship and business development skills. To date 240 youth enterprises have been established, 180 of which – 122 set up by women and 68 by men – were supported with micro-loans from Government cost sharing.

Nepal (B, C and D – entrepreneurship development, capacity building, and access to finance for microenterprises)

70. The *micro-enterprise development programme* was started in 1998 by the Government, with technical and financial support from UNDP, to reduce poverty by creating and developing micro-enterprises. Partners in this market-led integrated programme include government organizations, local government, private sector institutions, and non-governmental organizations . With relevant implementing partner organizations, UNDP and the Government deliver a package of services to micro entrepreneurs including micro-credit, appropriate technology, community mobilization,

marketing, and entrepreneurship and skills training. The impact, as assessed by the programme, has been significant: over six thousand entrepreneurs were enrolled, benefiting more than 35,000 people in rural areas and creating approximately 1.3 jobs per entrepreneur. Women entrepreneurs are being equipped to meet pressing basic needs through increased income and raised their status in the communities. Sustained high growth with equitable income distribution can be achieved only by building the capacity of the low income families.

Occupied Palestinian Territories (F, B, C and D – temporary employment, entrepreneurship development, capacity-building, and microfinance)

71. The overall objective of the poverty-oriented '*infrastructure through employment-generation programme*' is to construct urgently needed small-scale infrastructure in poverty-stricken Palestinian communities using labour-intensive means. This grass-roots programme is the first of its kind in the Occupied Palestinian Territories, in that it directly targets the pressing social and economic infrastructure needs of Palestinian communities, while simultaneously creating employment generation opportunities. The objectives of the programme are to: (a) alleviate poverty; (b) generate short-term and permanent employment opportunities; and (c) improve access to basic social services in impoverished Palestinian communities through the provision of infrastructure.

72. The objective of the '*deprived families economic empowerment programme*' is to improve the living conditions of deprived Palestinian families and so to contribute to a revitalized Palestinian economy by supporting self-employment and micro-enterprise development as a means to reduce poverty and unemployment. Its first component is 'grants for economic empowerment', which targets 4000 poor families in the West Bank and the Gaza Strip. In this component, families are assessed using the sustainable livelihoods approach in order to explore the abilities and strengths of their members in which to invest. The second component, the microfinance component, expands the opportunities for members of deprived Palestinian families to become entrepreneurs by providing them with financial and business development services. This enables potential entrepreneurs within these families to start up micro-enterprises or to develop existing ones further. These interventions are spread out geographically, reaching hundreds of localities in the West Bank and the Gaza Strip, and employment opportunities are created in almost all economic sectors.

Saudi Arabia (A – policies for youth entrepreneurship)

73. UNDP is providing assistance to the Ministry of Economy and Planning in the preparation of a *national youth strategy* and is implementing a *joint youth project* with UNICEF.

Serbia (A, E and F – policies for youth employment, vocational education and training, and temporary employment)

74. Efforts are under way in Serbia to improve access to decent work for young people through better policies and programmes addressing youth employment and migration.

75. With $6.1 million from the UNDP-Spain MDG Achievement Fund (see annex 2) and $1.9 million from the Government, IOM is leading a programme over a two-and-a-half-year period targeting disadvantaged young men and women, especially Roma, and those most at risk of social exclusion and prime candidates for emigration.

76. About 500,000 young people left Serbia between 1991 and 2001 in search of better livelihoods. In the Serbian districts of Pcinjski, South Backa and Belgrade, where the programme will be carried out, it is estimated that in the last five years, 96,500 young people – or more than 35 per cent of the current youth population – left their communities and migrated abroad.

77. In partnership with UNDP, ILO, UNICEF, the Ministry of Economy and Regional Development, the Ministry of Youth and Sports, the Ministry of Labor and Social Policy, the National Employment Service and partner non-governmental organizations, IOM will focus on developing evidence-based policies on youth employment, strengthening the capacity of national

institutions to design integrated labor market and social services aligned with policy objectives, and supporting local institutions in piloting new employment programmes and social services.

78. The 'Beautiful Serbia' project provided high-quality vocational training to long-term and otherwise disadvantaged unemployed people as well as their subsequent temporary employment by firms contracted by the programme to refurbish public buildings and spaces.

Sierra Leone (B and D – youth entrepreneurship and microfinance)

79. UNDP provided capital grants and basic training courses to three of the five largest micro-finance institutions, which provided small-scale loans to poor segments of the population. Five project proposals through the *youth employment scheme* are expected to generate over 40,000 employment opportunities. Through a micro-enterprise project supported by UNDP, 400 young women were provided with income generation opportunities in the palm kernel and palm-oil processing business. With loans for the establishment and expansion of micro-enterprises, more than 4,000 young people, including women, gained access to credit for activities in the private sector across 10 districts. In partnership with the private sector, more than 1,000 young people have developed professional skills, ranging from basic computer competencies to pottery-making, and from functional literacy to baluster-production.

Syria (B, C and E – entrepreneurship, vocational education and training for youth and women, and capacity-building for career centres)

80. During 2008, UNDP supported the implementation of two surveys to determine the gaps between supply and demand with respect to labour, with the aim of increasing the employability of young people and women (including the disabled) through skills development and by increasing the management competencies of entrepreneurs and small and medium-sized enterprises. UNDP also contributed to mainstreaming gender considerations in economic life through several analytical studies to identify the challenges facing women's entry into the Syrian labour market, as well as assessing capacity development needs and the relevant necessary training response.

81. The *'Career Management Centre' project* is part of the 10th five-year plan for creating a socio-economic environment that permits sustainable growth, employment, equity and protection. The project addresses the issue of unemployment among college graduates and undergraduate youth through a job-matching process with private and public enterprises. With the support of UNDP, the University of Damascus will design and implement a career management centre that will act as a 'learning laboratory' for the University in its endeavor to be more market- and customer oriented.

82. The centre will work with the private sector, non-government organizations and other partners. It will provide support (such as access to future jobs) to University students, and it will contribute to the alignment between the portfolio of programmes offered by the University and the market needs, and it will maximize the impact of the relationships between the Damascus University and the Ministry of Social Affairs and Labour in this respect.

83. The project will establish linkages with employment offices, providing career counselling to registered university graduates, and with the 'Career Guidance Centre' to benefit from the data regularly collected and analysed by the Centre, with a focus on the local labour market in Damascus. The project will be implemented by the University of Damascus in coordination with the Ministry of Social Affairs and Labour.

Tanzania (A and C – policies, and capacity-building for local economic development)

84. *'A Step into the Local Economy of Mwanza'* is a programme aimed at promoting and strengthening an environment for sustainable, equitable poverty reduction and pro-poor economic development and growth. Although there is no specific policy on local economic development in Tanzania, the design and formulation of the programme was guided by the UNCDF definition of local economic development: "an economic governance process conceived to be a participatory process in which partnerships between local governments, the private sector and community

groups come together for the purpose of mobilizing and managing local and externally accessible resources so as to stimulate local economy in appropriately defined geographical area". In that respect, the aims of the programme are threefold:

(a) capacity development of local governments to promote and stimulate the local economy;

(b) promotion of equitable access to economic opportunities; and

(c) capacity development of local governments to ensure that poor producers and consumers alike benefit from the success of the growing local economy.

Annex 3

UNDP-led projects approved under the 'youth, employment and migration' and 'private sector and development' windows of the UNDP-Spain MDG Achievement Fund

Country	Window	Name of project
Albania	Emp	Youth migration – reaping the benefits and mitigating the risks in Albania
Bosnia	Emp	Youth employability and retention programme
Bolivia	PSD	Integration of indigenous Andean producers into new national and international value chains
China	Emp	Protecting and promoting the rights of China's vulnerable migrants
Costa Rica	Emp	Joint programme on youth, employment and migration – a one-stop shop for youth employment
	PSD	Developing competitiveness for the Brunca region in the tourism and agro-industry sectors, with the emphasis on creating green decent employment for reducing poverty
Cuba	PSD	Support for the new decentralization initiatives and production stimulation in Cuba
Dominican Republic	PSD	Strengthening the banana value-chain through the growth of inclusive markets
Egypt	PSD	Pro-poor horticulture value chains in upper Egypt
El Salvador	PSD	Urban and productive integrated sustainable settlements in El Salvador
Ecuador	Emp	Youth, employment, migration – reducing inequalities in Ecuador
Ethiopia	PSD	Edible oil value-chain enhancement
Honduras	Emp	Human development for youth – overcoming the challenges of migration through employment
Nicaragua	Emp	National development capacities for improving employment and self-employment opportunities for young people
Panama	PSD	Entrepreneurial opportunities network for poor families
Paraguay	Emp	Youth: economic capacities and opportunities for social inclusion in Paraguay
Peru	Emp	Promotion of employment for youth and management of juvenile labour migration
	PSD	Inclusive creative industries: an innovative tool for alleviating poverty in Peru
Serbia	Emp	Support to national efforts for the promotion of youth employment and management of migration
	PSD	Sustainable tourism for rural development
Sudan	Emp	Creating opportunities for youth employment in Sudan
Tunisia	Emp	Engaging Tunisian youth to achieve the Millennium Development Goals
Turkey	Emp	Growth with decent work for all
	PSD	Harnessing sustainable linkages for small and medium-sized enterprises in Turkey's textiles sector
Viet Nam	PSD	Green production and trade to increase income and employment opportunities for the rural poor

Emp = Youth, employment and migration; PSD = Private sector and development